



Financial Affairs Committee
February 18, 2000

1) Opening Business

The meeting was held at the ACWA office location, 910 "K" Street, Sacramento. The meeting began at 9:30 a.m.

The next Financial Affairs meeting will be held March 17 and will again be at the ACWA office. The meeting will begin at 9:30 a.m. It was suggested that the April meeting be held in either Los Banos or at the Tracy Pumping Plant location. Tona Mederios will check out the possibilities and report at March FAC meeting.

2) Reclamation Reporting

a) Update on water accounting program (RAIN)

Larry Bauman and Mike Finnegan reported that JAVIS (RAIN Contactor) has begun a very intensive effort of reviewing and identifying various data and informational requirements for the WORKS replacement (Water Operations and Record Keeping System; more commonly referred to as the 705 program). This effort is known as the Joint Application Development (JAD) process and is expected to produce the preliminary design document by the end of April. All customers (including water users) will have an opportunity to input during the JAD process and the FAC will have an opportunity to review and provide input to the preliminary design document.

b) 1999 Water Contractor Accountings

Jesus Reynoso reported that review of 1999 water contractor delivery data was nearly finished and that a draft summary report would be ready for FAC and water user review in a week or so. CVP FY 1999 Financial Statements are not yet available (expected mid-March). However, certain draft schedules of Multipurpose, M&I, and Irrigation O&M costs have been recently provided to the CVPWA. This will enable the FAC to begin reviewing and analyzing FY 1999 O&M Expenses prior to receipt of the official financial statements.

c) CVP Cost Allocation

Reclamation is awaiting input and comments regarding criteria for evaluation of cost allocation alternatives (see below).

d) 2000 Water Rates

The 2000 Water Rate books have been sent to the Water Authorities and Bureau Area Offices.

e) Reconciliation of Advance Payment Accounts

Larry Bauman provided a status report relative to the reconciliation effort of the Advance Payment Accounts. This long-standing effort has required a detailed review and reconciliation of data in the water accounting system with data in the financial accounting system. To date, 206 contracts (35 long term, 37 interim, and 134 temporary) have been reviewed. Of these, 118 have been reconciled and adjusted (10 long term, 10 interim, and 98 temporary). Eighty of the 216 contracts have been sent to the water districts and a response has been received for 19 of them. In many instances, discrepancies have been identified and adjusted without requiring review and input from the districts.

3) Development of Criteria for Evaluation of Cost Allocation Alternatives

Draft copies of "Criteria for Allocation of Capital Costs of the Central Valley Project of California" (developed by George Cover) were available for FAC review. FAC members were asked to review the criteria and supporting comments and provide any suggested changes to Alan Thompson by Thursday, February 24. Alan will prepare a letter for signature by Jason Peltier for transmittal of the "finalized" criteria to Reclamation.

4) Warren Act Reform Legislation

The FAC reviewed a draft of a legislative bill that would remedy current financial inequities to Water Users resulting from deliveries of non-project water under Warren Act provisions. Among other things, the draft bill essentially provides that revenues derived from use of excess system capacity applicable to O&M charges are to be applied to O&M Expenses. Likewise, revenues received from charges applicable to construction costs are to be applied against reimbursable construction costs or accumulated and held for future construction work in the event there is no outstanding construction obligation. Further, the draft bill precludes any new contracts or contract renewals under provisions of the Warren Act. Instead, new contracts or renewals would be made under the authority of the new act, the "Reclamation Projects Excess Facilities Capacity Act".

5) Spring Budget Workshop

No definite date set as of yet, but expect the workshop will be scheduled for late April.

6) Modification of Fiscal Agencies Responsibilities

Mike Finnegan stated that Reclamation is still researching issues related to the responsibilities of fiscal agencies.

7) Contract Renewal (no report)

